

**TCEQ, Air Permits Division
Oil and Gas Stakeholder Group
March 18, 2004
9:00am - 12:00pm
TCEQ, Bldg. C Rm 131E**

Agenda

I Opening Remarks Anne Inman

II Background or Update Information Eduardo Acosta

A stakeholder meeting was held in November 2003 to notify stakeholders of the changes occurring in air permitting for the oil and gas industry. The oil and gas PBR (§106.352) is being revised. Concurrently, the oil and gas standard permit in 30 Texas Administrative Code (30 TAC) Chapter 116 is being repealed and replaced with a non-rule standard permit. The revisions will reduce registration requirements and provide a tiered approach to permitting. Furthermore, the scope of the new non-rule standard permit will be expanded allowing more sources to qualify. The oil and gas general operating permits (GOPs) will be revised to only include permit by rules (PBRs) and standard permits. The GOPs will be revised after the PBR and standard permits revision project has been completed.

III Discussion Topics Eduardo Acosta

A. Permit by Rule Revisions

The PBR is being reevaluated based on the 1996 protectiveness review with revised fugitive factors. Draft rule language was submitted to stakeholders prior to the meeting. Specifically, we are proposing to eliminate registration requirements for sour gas facilities, include references to potentially applicable state and federal rules, and to exclude authorization of maintenance, startup, and shutdown (MSS) emissions under this permit by rule. We are considering including MSS emissions, however we need more information and therefore we are soliciting comments in order to characterize these emissions.

B. Non-Rule Standard Permit

Based on modeling and a health effects review, the oil and gas standard permit is being revised and will be reissued as a non-rule standard permit. Draft rule language was submitted to stakeholders prior to the meeting. We are proposing to increase Hydrogen Sulfide (H₂S) and benzene emission rates and distance limitations which will expand the scope and allow additional sites to be eligible for the oil and gas non-rule standard permit. The revision will identify all applicable state and federal rules and will require the addition of best available control technology (BACT) requirements for loading volatile organic compound (VOC), however we are considering providing an exemption for infrequent truck loading in attainment areas. As in the PBR revision, we are proposing to exclude authorization of MSS emissions. In order for us to consider including MSS emissions we need more information and therefore are soliciting comments in order to characterize these emissions.

C. Open Discussion

1. What about facilities that have the current standard permit, but won't qualify for the new standard permit? The facility can remain authorized by the existing standard permit until a modification or date the facility's registration is required to be renewed. The facility would then have to comply with the standard permit amendment or get a case-by-case NSR permit.

2. For a facility authorized by a standard permit can you get an additional PBR for the facility? No, the tiered approach concept includes simpler facilities that qualify utilize the PBR, while facilities that are more complex be permitted by a standard permit.

3. Why is the division tasked with providing rule referencing in the PBR and non-rule standard permit? It is meant as an aid to permit holders who may not be familiar with air permitting. Per our discussion, staff noted that the stakeholders believe a list of potentially applicable rules is helpful.

Comments concerning the rule referencing include:

- concerns of having these rules listed in the rules and enforcement interpretation
- consider not including the references in the PBR and standard permit, but rather in another document outside the rules
- consider a checklist format
- list is incomplete; need to include 40 Code of Federal Regulations (CFR) Part 60, Standards of Performance for New Stationary Sources (NSPS), Subpart Dc, Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units, 40 CFR Part 63, National Emission Standards for Hazardous Air Pollutants for Source Categories (MACT), Subpart HHH, Natural Gas Transmission and Storage Facilities, Subpart YYYY, Combustion Turbine, Subpart ZZZZ, Reciprocating Internal Combustion Engines (RICE), and Subpart GGGGG, Site Remediation.

4. What is the engine limit (2100 horsepower rated at 5.0 grams per horsepower) in the standard permit term 2(C)? The engine limit was inadvertently left in the standard permit. It was intended to be a short term limit attempting to permit engine blowdown events. This term will be reevaluated in conjunction with the MSS issues.

5. Stakeholders indicated the handling of compressors under 30 TAC §116.352 is unclear. We were attempting to provide permit holders the ability to replace like-kind engines without registration. Per our discussion, the draft language is unclear and will be re-evaluated.

Comments concerning the engines include:

- consider reword of term in PBR to state “is authorized under §106.512” and not “meets the technical requirements of”
- consider removing engine term entirely and defaulting to 30 TAC §106.4
- consider lifting the 30 TAC §106.4 cap for the oil and gas industry and in turn require registration

6. Stakeholders indicated language is unclear concerning H₂S and benzene emission limits. In response we will update the draft language to indicate the emission limits are cumulative, based on “process” vents, and the minimum vent height listed was intended to include all process vent with a height less than 20 feet.

7. Stakeholders expressed concern with BACT for truck loading and indicated that the option to route the vapors to a combustion device poses a possible safety risk under certain scenarios. The division was unaware of this situation and requests additional information in order to evaluate the issue.

8. Why aren’t cooling towers and cogeneration units authorized under the standard permit? The division was not aware these units were typically found at these types of facilities. We are requesting emission data for these sources so that we can evaluate them.

D. MSS Discussion

MSS activities will be considered for inclusion under the PBR and the standard permit, however we are soliciting

comment from stakeholders in order to characterize the activities that may qualify.

Comments recieved concerning MSS emissions include:

- consider identifying MSS activities which when quantified assuming worst case scenarios are insignificant.
- consider allowing permit holders to report under 30 TAC §101 and §106.352
- consider allowing all events, regardless of nature, as long as they are under limits specified.
- be aware of implications of defining emission events across the air rules

IV Closing Remarks/Action Items Eduardo Acosta

A request for comments was extended to all stakeholders concerning the draft PBR and non-rule standard permit language. Specifically, comments are requested pertaining to the following items:

1. Information regarding MSS emissions: characterization of these activities, including emissions data, frequency, duration, methods of demonstrating compliance, and defining predictable events and worst case scenarios (based on work hour limitations, feasibility, economic restraints, etc.).
2. Effectiveness of listing potentially applicable state and federal rules
3. Level of detail for which potentially applicable state and federal rules may be referenced
4. Exemption level for infrequent truck loading in the non-rule standard permit
5. Cooling tower and cogeneration data

Comments on the PBR or the non-rule standard permit are to be submitted no later than April 2, 2004.

Comments should be submitted to Mr. Eduardo Acosta via email to eacosta@tceq.state.tx.us, faxed to (512) 239-1070 or by US mail to P.O. Box 13087, MC-163, Austin, TX 78711-3087.

V Next Meeting Date

No meeting has been scheduled. Stakeholders will be notified of any upcoming meetings via the listserver.

Meeting Attendee (Next page)

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March
9:00am -
TCEQ, Bldg
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TCEQ, Ai
Oil and Gas
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9:00a
TCEQ, E
Sign

Attendee Name
(Please Print Legibly)

Chris Dick
Joseph Gray
Ferry Waisanen
Jagadeesan Sethuraman
Lynn Reed
ALAN W. (SKIP) DEES
Jon E. Fields
Scott Wallick
A. S. Shankar
CEE CEE CANDLER
Mary Jaquez
Rob Bennett
Korn Z. Yarnut
Cathy Barnard
Paul Coon
John Gott
Jaime Bretzmann

Attendee Name
(Please Print Legibly)

Ed FIESINGER
Julie Best
Louisa Preston
Don RUGGERI
PATRICIO GREGO
Anna M. Rodriguez
Chris Hobson
Brenda Banter
Clifton Wise